

No Conflict by Invitation: Japan's China Balancing amidst US Relative Decline

Giulio PUGLIESE

King's College London, War Studies Department

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This article highlights the Realist underpinnings of US-China-Japan relations. Washington's quest for primacy in the Asia-Pacific framed Tokyo's China policy throughout the early post-Cold War period; after all, US global power projection also rested on its capacity to influence key regional allies such as Japan. Yet growing US fatigue for military intervention abroad coincided with a changing East Asian power balance premised on China's military and economic rise. On the basis of a Structural Realist analysis, this article argues that Japan hardened its security stance by the mid-2000s. Following the 2012 Senkaku/Diaoyu Islands standoff, Chinese assertiveness and a forceful Japanese response revealed a new reality in US-Japan alliance politics: Washington policymakers would now restrain some of Japan's more assertive security initiatives and nationalistic displays. While detailing the evolution of US-China-Japan relations, this article disputes the likelihood of a US-China conflict of Tokyo's making thanks to sustained US leverage over Japan.

Keywords: US-China-Japan relations, US decline, liberal order, post-Cold War, Realism, conflict

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Giulio PUGLIESE*

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I. Introduction

Following the end of World War II (WWII) and the 1951 signing of the Peace and Security treaties in San Francisco, the Japanese government's China policy had consistently acted within the perimeters of US grand strategy in East Asia. Throughout the post-war years, Tokyo and Washington insisted on a Realist foreign policy premised on balancing behavior, but this varied depending on the respective threat perceptions. A Structural Realist periodization posits two systemic changes in the regional distribution of power; specifically the transition from a bipolar order (1945-1991) to a period of flux (1991-2000s), and to an unstable multipolar order in post-Cold War East Asia (ca. mid-2000s onward). Japan's China policy throughout the three periods has been consistent with its status as a junior alliance partner, largely reacting to Washington's strategic calculations. Yet in more recent years, a rising

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China has ignited fears over the geopolitical implications of its growing regional influence. Such fears are more deeply felt in Japan than in the United States, in particular after the advent of the new Xi Jinping administration and the standoff over the Senkaku/Diaoyu Islands. The second Abe Shinzō government, established in late 2012, exemplifies Japan's more confident retort to the Realist toolkit to tame what it understands as an aggressive neighbor.¹

Several studies have analyzed Japan's China policy within the context of US-China-Japan triangular relations, but the literature on this important topic is quite limited.² Existant studies stress Japan's subordinate position to the United States but have largely downplayed the inherent tension in Washington's stance vis-à-vis Sino-Japanese relations, especially in the post-Cold War years. When US anxieties with regard to Japan's China policy are mentioned, scholars have normally focused on US frustrations over Japan's timid efforts in redefining the scope of the alliance.³ Alternatively, they detailed Japan's recalibration of its foreign policy away from Washington during the short-lived premiership of the moderate Hatoyama Yukio.⁴ More recently, Washington's quest for greater Japanese security responsibilities has met

¹ Giulio Pugliese, "Kantei diplomacy? Japan's hybrid leadership in foreign and security policy," *The Pacific Review* 30, no. 2 (2017): 152-168.

² Thomas Christensen, *Worse than a Monolith: Alliance Politics and Problems of Coercive Diplomacy in Asia* (Princeton: Princeton University Press, 2011): 221-259; Thomas Christensen, "Fostering Stability or Creating a Monster? The Rise of China and US Policy toward East Asia," *International Security* 31, no. 1 (2006): 81-126; Ming Wan, *Sino-Japanese Relations* (Washington D.C.: Wilson Center and Stanford University Press, 2006): 168-200; Ezra Vogel, Ming Yuan, and Akihiko Tanaka, ed., *The Golden Age of the US-China-Japan Triangle, 1972-1989* (Cambridge: Harvard University Asia Center, 2002).

³ Takao Sebata, *Japan's Defense Policy and Bureaucratic Politics, 1976-2007* (Lanham: University Press of America, 2010), 259-333.

⁴ Björn Jerdén, "Security Expertise and International Hierarchy: The Case of 'The Asia-Pacific Epistemic Community,'" *Review of International Studies* 43, no. 3 (2017): 494-515; Paul O'Shea, "Overestimating the 'Power Shift': The US Role in the Failure of the Democratic Party of Japan's 'Asia Pivot,'" *Asian Perspective* 38, no. 3 (2014): 435-459.

expectations from the Japanese government's side and Japanese policymakers appreciate the interlinking of the alliance in the US-centered "hub-and-spokes" security system to confront China's ascendance.⁵ Moreover, the Abe Shinzō government has heightened Japan's security profile and raised the government's voice in the international arena only partly in response to US desiderata.⁶ What is less noticed, then, is that such assertive diplomatic and declaratory stances occasionally exceed US preferences. Chris Hughes attributes such dynamics to Abe's comeback and the flaring up of the Senkaku/Diaoyu standoff.⁷ Similarly, Sheila Smith identifies in the heated island dispute the "new scenario" kindling US fears of entanglement in both Chinese and, to a lesser extent, Japanese escalatory moves.⁸

This article locates Japan's security proactivity and US caution in the mid-2000s and ascribes such transformation to changes in the foreign policy outlook of both Japan *and* a slightly more disengaged US. To be sure, Japan is bearing more responsibilities in the preservation of East Asian security along with its transpacific ally and other like-minded countries, such as Australia. Japan did so in 2006-07 and more recently with its "proactive contribution to peace," the leading principle of Japan's 2013 National Security Strategy. Tokyo has traditionally pursued a more sympathetic China policy compared to its ally, but this paper argues that Japan and the US have traded roles in recent years, even before the flaring up of the Senkaku/Diaoyu territorial dispute. Abe's

⁵ H.D.P. Envall, "Japan's 'Pivot' Perspective: Reassurance, Restructuring, and the Rebalance," *Security Challenges* 12, no. 3 (2016): 5-19.

⁶ Giulio Pugliese, "Japan 2014: Between a China Question and a China Obsession," in *Engaging China/Containing China: Asia in 2014, Asia Maior* vol. 25, ed. Michelguglielmo Torri and Nicola Mocchi (Bologna: Emil di Odoya, 2015), 60-62.

⁷ Christopher W. Hughes, *Japan's Foreign and Security Policy under the Abe Doctrine* (Basingstoke: Palgrave Macmillan, 2015), 64-78.

⁸ Sheila Smith, *Intimate Rivals: Japanese Domestic Politics and a Rising China* (New York: Columbia University Press, 2015), 259.

2012 comeback has made evident that Tokyo's China policy has hardened beyond US strategy, possibly entrapping the US in flashpoints of Sino-Japanese discursive or military conflicts, but similar instances surfaced already under the first Abe administration. In the process, there is a possibility that the United States may become involved in a major conflict with China due not only to Beijing, but also to Tokyo's increased reliance on power politics as a tool of statecraft.

To gauge this under-analyzed phenomenon in a trilateral context, this article clarifies the merits of a Structural Realist approach to the study of post-Cold War US-Japan-China relations and emphasizes its appeal against other theories of International Relations (IR), the discipline that studies international relations. In doing so, the article will delve deeper into the international factors that affect Japan's strategic outlook: the decline of US primacy in East Asia pitted against the staggering re-emergence of China to regional centrality. Under *both* Abe administrations, these factors fueled Japanese insecurity and a more assertive foreign policy. The article will then focus on Japan's China policy and recent Sino-Japanese frictions to find that the US government consistently aimed at a stronger Japan but is now stifling some Japanese initiatives that risk entrapping the United States into Sino-Japanese military or historical issue-related brinkmanship. In so doing, the article gauges Washington's leverage as a censor of Japan's nationalistic displays and more assertive postures to measure the likelihood of a Sino-American conflict at the invitation of a more proactive Japan.

II. US-centered Liberal Visions of East Asia in the Early Post-Cold War Years

The fall of the Soviet Union in 1991 alighted the hopes of many Western governments. In fact, the different strands of Liberalist theory—commercial pacifism, liberal institutionalism and democratic peace theory—dominated mainstream US policy and scholarly debates on East

Asia in the post-Cold War years.⁹ More than any other nation, the victorious superpower—the United States of the “roaring nineties”—dusted off the declinist pessimism of the late 1980s¹⁰ and translated its new-found economic and political appeal into a foreign policy aimed at dismantling economic and thus political barriers. The 1994 *National Security Strategy of Engagement and Enlargement* testified to the saliency of the above aims because US policy-makers, such as National Security Advisor Anthony Lake, understood a world composed of free-trading democracies as conducive to US economic prosperity and physical security. In addition, the boom in productivity and outbound investment during the 1990s facilitated US economic expansion through a late 20th Century “Open Door” policy premised on economic globalization.¹¹ The so-called “third wave” of democratization in East Asia coincided with the dying years of the Cold War, and in addition to fundamental domestic socio-economic changes, a more proactive US foreign policy was partly responsible for democratic transitions in East Asia. It is often forgotten that, by the late 1980s, Washington quietly favoured the economic and, to a lesser extent, political liberalization of several autocratic regimes; subtle US pressure over President Chun Doo Hwan’s South Korea is a case in point.¹²

Together with the end of the Cold War and the demise of state socialism as a viable socio-economic and political alternative, the

⁹ The three liberal IR theories have different appreciations of the origins of inter-state cooperation. Commercial pacifists focus on greater economic interdependence. Liberal institutionalists stress international norms as well as routinized participation and the relinquishment of sovereignty to international organizations, such as the European Union. Democratic peace theorists believe that liberal democracies do not wage war against fellow democracies.

¹⁰ Paul Kennedy, *The Rise and Fall of the Great Powers: Economic Change and Military Conflict from 1500 to 2000* (New York: Random House, 1987).

¹¹ Stephen Ambrose and Douglas Brinkley, *Rise to Globalism* (New York: Penguin Books, 2010), 398-428.

¹² Gregg Brazinsky, *Nation Building in South Korea: Koreans, Americans, and the Making of a Democracy* (Chapel Hill: The University of North Carolina Press, 2007), 223-250.

triumph of market-based democracy signified “the end of history” in the eyes of a good portion of the American establishment.¹³ For progressive and neo-conservative policy-makers, the liberal democratic model represented the very goal of humanity, which included cultures and political systems that still diverged from the Western liberal tradition. In such a context, the Bill Clinton administration’s welcoming of the People’s Republic of China into the World Trade Organization reflected the mainstay thinking of two typical Liberalist schools: commercial pacifism, according to which deep symmetric economic ties change states’ preferences in favour of cooperation; and democratic peace theory, according to which democracies do not fight each other.¹⁴ The United States government took advantage of the enormous economic potential of the Chinese market, including in terms of its cheap labour force, based on the belief that a trading China would pursue a largely cooperative foreign policy and, eventually, evolve into a benign democracy.

Economic and democratic liberalist optimism converged with the promises of liberal institutionalism. According to liberal institutionalists, China would slowly find participation in a variety of international organizations—such as the World Trade Organization (WTO), World Bank, International Monetary Fund (IMF), and the like—beneficial to its own national interests. Thanks to smoother channels of communications, growing preferences for prosperity, and the gradual relinquishment of state sovereignty to supranational agencies, China would embrace the US-led liberal international order built in the aftermath of WWII and reaffirmed and extended after the collapse of the Soviet Union.¹⁵ Thus,

¹³ Francis Fukuyama, *The End of History and the Last Man* (New York: Free Press, 1992).

¹⁴ Stephan Haggard, “The Liberal View of International Relations in Asia,” in *The Handbook of the International Relations of Asia*, ed. Saadia Pekkanen, John Ravenhill, and Rosemary Foot (New York: Oxford University Press, 2014), 45-63.

¹⁵ John Ikenberry, “The Rise of China and the Future of the West: Can the Liberal System Survive?” *Foreign Affairs* 87, no.1 (January/February 2008): 23-37.

when President Clinton publicly stated that “on human rights and religious freedoms, China remains on the wrong side of history,”¹⁶ he provided eloquent evidence of the deep-seated teleological historicism of US government thinking toward East Asia and the world at large. According to this thinking, all was “for the best in the best of all possible worlds,” to cite Professor Pangloss from Voltaire’s *Candide*.

Moreover, believing that market liberalization, deregulation and a progressive “financialization” of the economy would have been beneficial to global trade and US-based financial and multi-national enterprises, the US pushed for a neoliberal economic agenda at home and abroad.¹⁷ From the 1990s onwards, the much-vaunted dirigiste Asian model based on the “developmental state”¹⁸ gradually lost momentum. This transpired due to the growing appeal of supply side-centred neoclassical economics, Japan’s economic stagnation, and the 1997 Asian Financial Crisis followed by substantial international pressure in favor of structural and political reforms. Thus East Asia’s assimilation of Western, and more specifically Anglo-Saxon, economic norms hinted at convergence with the US-led liberal order. Under these conditions, the 1980s and the 1990s witnessed a liberal evolution of the politico-economic system of major East Asian states such as South Korea, Taiwan, and Japan—a one party-centred developmental democracy throughout the Cold War. The historical track record of the late 20th century slowly cemented US exuberance over its staying power.

The above changes were expedited by irresistible globalization. Earlier processes of economic internationalization, which coincided with

¹⁶ Michael Elliott, “Beyond History’s Shadow,” *Newsweek/Washington Post*, June 29, 1998, <http://www.washingtonpost.com/wp-srv/newsweek/diplomacy.htm>. Accessed on November 14, 2016.

¹⁷ Ronald Dore, *Stock Market Capitalism: Welfare Capitalism: Japan and Germany versus the Anglo-Saxons* (Oxford: Oxford University Press, 2000).

¹⁸ Meredith Woo-Cumings, ed., *The Developmental State* (Cornell: Cornell University Press, 1999).

the first and second industrial revolutions, mostly benefitted the bourgeoisie of colonial powers.¹⁹ In comparison, the globalization that gained considerable momentum in the late 20th century levelled the playing field between advanced capital-intensive OECD countries and labour-intensive developing economies, such as China and India.²⁰ The liberalization of trade and the free movement of capital coincided with major developments in information, communication, business systems and transportation technologies. The expansion of multinational corporations and the massive inflow of Foreign Direct Investment in East Asia could have seriously challenged state sovereignty from above and below.

Likewise, the globalization of the late 20th century promoted regional integration processes in two ways. Firstly, the dismantling of trade and financial barriers would increase traditional intra-regional exchanges of physical goods, services and capital, and since Asian economies were at very different stages of their economic development, companies from (physical and human) capital-rich economies found it beneficial to outsource different stages of production in *multiple Asian countries*, depending on their respective comparative advantage. This process facilitated deep intra-regional and inter-regional production networks, leading to the rise of a “Factory Asia.” For instance, iPhones are designed in California, but most of their high-end technology is made by Japanese, Korean and Taiwanese manufacturers across Asia; it is only at the end stage that iPhones are finally assembled and “made” in China, albeit through a Taiwanese company.²¹ The iPhone example also suggests that intra-regional production networks are embedded within a global

¹⁹ Eric J. Hobsbawm, *The Age of Capital* (New York: Scribner, 1975); Eric J. Hobsbawm, *The Age of Empire, 1875-1914* (New York: Pantheon Books, 1987).

²⁰ Thomas Friedman, *The World is Flat: A Brief History of the Globalized World in the 21st Century* (London: Penguin, Allen Lane, 2005).

²¹ “Study finds the iPhone 5 is Japanese, in parts,” *Asahi Shinbun*, October 6, 2012.

system: iPhone's demand is global and Apple pockets roughly sixty percent of the retail price of its smartphones.²²

Secondly, East Asia has undergone financial regionalism. In the aftermath of the Asian Financial Crisis, East Asian states inaugurated a set of bilateral (now multilateral) currency swap agreements under the so-called Chiang Mai Initiative. In a sense, East Asian states relied on emergency foreign exchange reserves promised by regional counterparts, amounting to a quasi-monetary fund that could do without the support of the Washington-based IMF. With time, the initiative would free East Asian states from political and economic conditionalities dictated by the neoliberal agenda of international and US federal organizations, commonly known as the "Washington Consensus," inside the beltway. In fact, the economic weight and political clout of the United States in this complex web of trade and financial links meant that regionalism was moving within the confines of US "empire"; the need for the IMF to sanction the bulk of Chiang Mai emergency liquidity funds is a case in point.²³ While James Parisot's appreciation of US staying power in East Asia is a Marxist one, his understanding does not differ considerably from Ikenberry's US-centric institutional liberalist proposition premised on a tight and incredibly sticky web of US-centered international institutions, to which behemoth economies such as China would necessarily adapt.²⁴

Through a broad-brush overview of the major changes affecting East Asia in the early post-Cold War years, this section has provided an

²² John Ravenhill, "Production Networks in Asia," in *The Handbook of the International Relations of Asia*, ed. Saadia Pekkanen, John Ravenhill, and Rosemary Foot (New York: Oxford University Press, 2014), 348-368.

²³ James Parisot, "American Power, East Asian Regionalism and Emerging Powers: In or Against Empire?" *Third World Quarterly* 34, no. 7 (2013): 1159-1174.

²⁴ John Ikenberry, "The Liberal Sources of American Unipolarity," in *Unipolarity and International Relations Theory*, ed. Michael Mastanduno, W. Wohlforth and J. Ikenberry, (New York: Cambridge University Press, 2011), 216-251.

account of the most influential liberal appreciations of regional dynamics. It highlights commercial pacifism, liberal institutionalism and greater convergence with Western political and economic models as the dominant frameworks through which trends in 1990s East Asia have been understood. As recounted, the above liberal visions for an East Asian future also rested on the primacy of the US-led liberal order. Yet the underappreciated pillar of that very liberal order was US military presence, which indicates the merits of looking at the region through a Realist lens.

III. The Realist Underpinnings of East Asia's *Pax Americana*

US policymakers never lost track of the foundational importance of great power politics to preserve a stable East Asian regional order and US hegemony. According to Structural Realism, the regional order is made up of states responsible for their own security and prosperity. Since the future intentions of surrounding powers are unknown, states' defense and security policy is defined by the strategy that opposes the stronger or more threatening state in order to maintain a state of equilibrium. This is commonly known as balancing, the recurrence and intensity of which depends on the regional distribution of power.²⁵

While acting as a benign hegemonic power, US foreign policy towards East Asia presents strong elements of offensive realism.

²⁵ There are two types of balancing: internal and external. Internal balancing rests on the augmentation of domestic military capabilities; external balancing builds on alliances, strategic partnership and ententes with third parties. Structural realist theorists have contrasting views over the aims and extent of balancing behavior: defensive realists posit that states are mostly concerned with maximizing their security while "offensive" realists argue that states are incessantly driven by power-maximization, a very expensive insurance policy to guarantee state security that ultimately leads to high recurrence of conflict in international politics. See Kenneth Waltz, *Theory of International Politics* (Reading: Addison-Wesley, 1979).

According to John Mearsheimer, post-WWII US deployment in Germany and Japan not only deterred Soviet aggression in key industrial centers, but also curbed their turning into Great Powers.²⁶ Christopher Layne argues that US grand strategy was even more assertive. US foreign policy from 1940 onward was informed by a desire to maintain primacy by moulding the international system, to which end Washington consistently pursued “extra-regional hegemony.”²⁷ Historical evidence corroborates this claim. In late 1991, Under Secretary of Defense for Policy Paul Wolfowitz and his taskforce started working on a new Defense Planning Guidance, a document that detailed the United States’ overall military strategy as a framework for future defense budgets. The document draft spelled out the means for US hegemony: no contestant was allowed to emerge as a challenger to US primacy, including Japan. The leaked Planning Guidance’s draft was heavily criticized for its cynical vision premised on raw US military supremacy, but the final version left its core policy prescriptions unchanged. The United States would thus preclude any power from dominating regions critical to US interests, and to that effect permanent US military superiority was needed.²⁸

In terms of policy practice, Washington’s East Asia policy was driven by a synthesis of Neo-Realism and Liberalism. For this reason it would be mistaken to associate post-Cold War US policy debates with the first—if partly manufactured—great IR debate, where historian E.H. Carr denounced the false hopes of the mainstream “utopians,” the liberal IR thinkers of the early 20th Century, by pointing out the recurring tragic dynamics of state-centric Realism; according to Carr, international

²⁶ John Mearsheimer, *The Tragedy of Great Power Politics* (New York: W. W. Norton & Company: 2001), 75-82.

²⁷ Christopher Layne, *The Peace of Illusions: American Grand Strategy from 1940 to the Present* (Ithaca: Cornell University Press, 2006).

²⁸ James Mann, *Rise of the Vulcans* (New York: Viking, 2004), 198-208.

politics were premised on national interests, power struggles, and the destructive forces unleashed by nationalism.²⁹ In fact, US policy practitioners never lost track of the need to preserve US military regional engagement. Indicative of this trend, (Neo-)Liberalist IR theorist and Assistant Secretary of Defense for International Security Affairs, Joseph Nye, engineered the post-Cold War US realignment of military forces deployed in East Asia by keeping a robust US presence under the so-called 1995 “Nye Initiative.” In this context, Japan qualified as an important chess piece in Washington’s strategic calculations and, to a certain extent, the United States kept a strong military presence also to check an eventual Japanese military ascendance.

During the Cold War, the United States’ broader foreign and security policy limited Japan’s room for maneuver in the international arena. Prime Minister Yoshida Shigeru and his successors willingly wore the diplomatic straightjacket knitted on the occasion of the San Francisco peace and security treaties: Japan’s security and prosperity was best served by close alignment to the United States, a focus on economic development and, as a corollary to the above, a low politico-military profile.³⁰ But how did Japan’s China policy evolve after the end of the Cold War?

A nagging sense of insecurity aside, Japan still prioritized a policy of China engagement until the early 2000s resting on the above-mentioned post-Cold War beliefs that trade and economic growth would induce China to enjoy the fruits of prosperity brought by international trade agreements and international organizations. From the vantage point of Realism, until the early 2000s, China’s military and economic power

²⁹ Soeya Yoshihide, *Nihon no ‘midoru pawā’ gaikō* [Japan’s ‘middle power’ diplomacy] (Tokyo: Chikuma Shobō, 2005); Kent Calder, *Pacific Alliance* (New Haven: Yale University Press, 2010).

³⁰ E. H. Carr, *The Twenty Years’ Crisis, 1919-1939* (Basingstoke: Palgrave Macmillan, 2001 – with an Introduction by Michael Cox).

was still relatively small relative to Japan and especially its transpacific ally. More importantly, it was only in the 2000s that China inaugurated a substantial naval buildup to project its power into the oceans, thus feeding into Japanese insecurity and American anxieties. As a maritime power, at any rate, Japan preserved a consistent naval posture.³¹ Given the very appreciation of the United States' relatively benign role in East Asia, Japan mostly delegated or "buck-passed" security guarantees to the prominent regional player, the United States. Japan's defensive-realist appreciation of trilateral dynamics, resting on the soothing effects of ameliorating threat perceptions from both sides of the Pacific Ocean, meant that its security profile increased marginally and mostly as a result of US pressure.³²

Nonetheless, China viewed the US attempt to reinforce its alliance with Japan, notably through the enunciation of new security guidelines in 1997, as a potential threat to the region's order. Chinese analysts and leaders perceived the US to be moving away from its role as a "bottle cap" on Japanese rearmament toward an "egg shell" role, under which the US would provide a military shield for Japan while favoring its ally's gradual, but steady, rearmament.³³ Yet it would be incorrect to posit that the mid-1990s US and Japanese military planners re-enacted coercive diplomacy against Beijing, as Christensen does in a later study.³⁴ Preliminary evidence shows that Chinese analysts' assessments were correct, since the Japanese government was more lukewarm to US calls

³¹ Alessio Patalano "Shielding the 'Hot Gates': Submarine Warfare and Japanese Naval Strategy in the Cold War and Beyond (1976–2006)," *Journal of Strategic Studies* 31, no. 6 (2008): 859-895; Jennifer Lind, "Pacifism or Passing the Buck? Testing Theories of Japanese Security Policy," *International Security* 29, no. 1 (2004): 92-121.

³² Takao Sebata, *Japan's Defense Policy and Bureaucratic Politics, 1976-2007* (Lanham: University Press of America, 2010), 259-333.

³³ Thomas Christensen, "Fostering Stability or Creating a Monster? The Rise of China and US Policy toward East Asia," *International Security* 31, no. 1 (2006): 81-126.

³⁴ Christensen, *Worse than a Monolith*, 221-259.

for greater alliance burden sharing. Tokyo, at this point, did not share Washington's bleak assessment of regional security. This would continue until the bumpy years of the Koizumi premiership, characterized by the progressive chilling of China-Japan political interaction due especially to the Premier's yearly visits to the controversial Yasukuni shrine, as well as China's staggering economic and military rise finally feeding into Japanese insecurity.

IV. Beyond *Pax Americana*: Japan's Hardened Stance Predates China's Assertiveness

The 2006 Sino-Japanese political *détente* culminated in the inauguration of the Japan-China Strategic Mutually Beneficial Relationship (*nicchū senryakuteki gokei kankei*, 日中戰略的互惠關係), but this did not prove very tenable as the regional order lost its liberal façade around that very year. In fact, events rather validated neo-realist analysis: the changing regional distribution of power toward an unstable multipolar regional order alimented growing tensions. The shifting power differential between China and the United States was chiefly responsible for altering the strategic landscape, and Japan felt very early the need to more forcefully counterbalance China's rise.

The so-called "War on Terror" inaugurated by the George W. Bush administration distracted the United States from the most likely challenger to its primacy: a rising China exemplified the traditional, state-centred logic of Realism. The United States' disastrous military interventions in the Afghanistan and Iraq quagmires were accompanied by the 2008 financial and economic crisis. This crisis ignited by subprime mortgages and Lehman Brothers' bankruptcy spread globally and inflicted a major blow to the world economy, showcasing the downside of excessive deregulation and financialization of economic activities. The worst economic crisis since the Great Depression should have delegitimized the glorified Anglo-Saxon economic model. But neo-

Keynesian expansive fiscal policies were dusted off only briefly following the 2008 crisis: northern European and American economic policymakers threw such precepts back in the dustbin by 2010 and failed to curtail the “moral hazards” of an irresponsible, yet ever-more economically decisive, financial sector. At the same time, the crisis did inflict a major blow to the Anglo-Saxon economic model. This was evident in Barack Obama’s clear prioritization of US domestic issues and economic growth, often accompanied by a hands-off approach toward world affairs.³⁵

In contrast, the Chinese economy lifted up part of the deficit in global demand following the global financial crisis and China’s annual Gross Domestic Product growth wavered around a seven percent increase per year. Notwithstanding its mixed command and market economy, China became the second wealthiest nation by 2010, and its hosting of the 2008 Olympic Games and 2010 International Exposition sanctioned its coming of age, substantial increase in material capabilities, and growing confidence in foreign relations. In stark comparison with Obama’s approach, and possibly due to these burgeoning capabilities, China translated its economic (re-)emergence into regional primacy with a more assertive foreign policy. Domestically, hawkish segments within the Chinese Communist Party and Chinese state’s apparatus became gradually more vocal. For instance, they started to advance Chinese claims over disputed territories with more confidence, perceiving a progressively inward-looking US as a paper tiger. In short, Chinese home-bred nationalism and hubris clearly stemmed in part from Structural Realist factors, where the growing regional power differential increasingly favoured China and reinforced its ability to interdict and threaten US forward deployment in the Asia-Pacific.

³⁵ Colin Dueck, *The Obama Doctrine: American Grand Strategy Today* (Oxford: Oxford University Press, 2015).

The global financial crisis and the ensuing Great Recession hastened shifts in the regional power balance, but it is worth noting that US and Japanese policymakers envisioned earlier on the risks of a region dominated by China. Indeed, Washington policymakers had already developed policies aimed at preserving a favourable balance by the early 2000s under the first George W. Bush administration, with the vocal support of the Department of Defense and the Vice-Presidency. For example, the US-India civil nuclear deal was indicative of the George W. Bush administration's reliance on power politics: India was not a signatory to the Nuclear Non-Proliferation and Comprehensive Nuclear-Test-Ban Treaties, an international institution exemplifying the so-called rules-based liberal order. It is also worth noting that in 2007 Japan signed a "global strategic partnership" with India and in 2016 allowed exports of nuclear technology and components to the Subcontinent, initiatives that both took place under the Abe administration. At the same time, a diffuse sense of insecurity in East Asia went hand-in-hand with the changing regional power balance. Progressively weaker states, such as the Philippines, Vietnam, and even Japan, fretted about their own territorial rows with China and hurried to secure their own interests before China became a regional hegemonic power. These states also became engaged in active regional diplomacy aimed at building a network of strategic partnerships, or ententes, that went beyond the existing US-led regional alliance system. The Abe Shinzō administrations are evidence of the new-found impetus for power politics in East Asia.³⁶

The language register of the US and Japanese governments indicated the willingness to defend the international liberal order. In a private interview, former Special Assistant to the President for National

³⁶ Giulio Pugliese and Aurelio Insisa, *Sino-Japanese Power Politics: Might, Money and Minds* (London: Palgrave Macmillan, 2017).

Security Affairs and Senior Director for Asia at the US National Security Council, Michael J. Green, testified to the rationale behind US overtures toward strategic states such as India: the US was pursuing a “balance that favoured freedom.”³⁷ Similarly, Japan started to legitimize its national security dynamism as a function of “universal values such as freedom, human dignity and human rights, democracy, market economy, and rule of law” around the same time.³⁸ Implied in Japan’s wording was that an authoritarian China’s ascendance needed to be confronted, though it would be welcomed as a peer when it became a full member of the liberal order. Beneath this rhetorical surface, however, by that time power politics were becoming the *leading* engine of international relations in the Asia-Pacific and beyond. US flexibility toward international norms, such as nuclear non-proliferation, testified to these trends. Needless to say, the main target of said initiatives was a rapidly ascending China.

In this context, Tokyo responded with enthusiasm to Washington’s calls for enhanced security cooperation. This move was only encouraged by the fact that the US-centered hub-and-spokes bilateral system of alliances was gradually giving way to “intra-spoke” cooperation, evident in US regional alliances with Australia and India as well as other newly-inaugurated strategic partnerships. But only after intra-ministerial overhaul and strategic planning would Tokyo’s balancing overtures materialize under Abe’s first administration launched in September 2006, consistent with Abe’s preoccupation with China’s rise. Thus, in 2005-2006 Japan’s Ministry of Foreign Affairs and key policymakers laid the basis for a new balancing architecture seemingly echoing US policy

³⁷ Interview with former Special Assistant to the President for National Security Affairs and Senior Director for Asia at the US National Security Council Michael J. Green, July 9, Tokyo.

³⁸ Ministry of Foreign Affairs of Japan, “Japan-U.S. Summit Meeting: The Japan-U.S. Alliance of the New Century,” June 29, 2006, <http://www.mofa.go.jp/region/n-america/us/summit0606.html>. Accessed November 11, 2016.

desiderata.³⁹

Yet the US China strategy in the second George W. Bush administration turned slightly more conciliatory, toward the State Department line and away from the Dick Cheney/Department of Defense line. Former US official Thomas Christensen contends that Deputy Secretary of State Robert Zoellick's engagement policy of "making China a responsible stakeholder" effectively achieved doctrinaire status in 2006.⁴⁰ Thus Abe's much-coveted security architecture in the Asia-Pacific targeting China eventually went against US interests. Washington publicly derailed the nascent US-Japan-India-Australia quadrilateral entente in 2007, for example, appeasing an overtly anxious China and avoiding the slippery slope of a security dilemma. In August 2007, then Secretary of State Condoleezza Rice conveyed to Japanese Defense Minister Koike Yuriko the need to proceed with prudence lest the wrong signals be sent to Beijing.⁴¹ In fact, since the above conversation was instrumentally reported to the press, the US was actually sending conciliatory signals to Beijing. It was arguably the first time that Tokyo and Washington traded roles in their China policy in the post-Cold War environment. Noting its involvement in multiple war theatres in the Greater Middle East, the US desired to induce a more cooperative attitude from Beijing and, for the first time, feared entrapment in Sino-Japanese tensions partly of Tokyo's making.

The first Abe administration was acting boldly, but the broad geo-strategic environment the Japanese government found itself operating in meant that the US would favor Abe's external balancing initiatives only up to a point. Notwithstanding the prominence of balancing behavior,

³⁹ Pugliese, "Kantei Diplomacy?"

⁴⁰ Christensen, *Worse than a Monolith*, 242-243.

⁴¹ Akita Hiroyuki, *Anryū: Bei-Chū-Nichi gaikō sangokushi* [Undercurrents: US-China- Japan Records of the Three Kingdoms' Diplomacy] (Tokyo: Nihon Keizai Shinbun Shuppansha, 2008): 1-6.

there have been limited attempts at engagement—particularly with regard to historical issues—and evidence proves that US pressure was at play. President George W. Bush secretly sent veiled and indirect threats to Chief Cabinet Secretary Abe (prior to his becoming prime minister) concerning the negative spillover effects of history-related matters on US-Japan relations. Since prominent members of the second Bush administration were particularly concerned about the repercussions of eventual Japanese nationalistic displays, such as visits to the controversial Yasukuni Shrine, US public criticism was likely.⁴² Thus the United States was now censoring to a certain extent Tokyo’s quadrilateral balancing initiative—one earlier suggested by the US—as well as Abe’s historical revisionism, which was considered deleterious for both US-Japan-Korea *and* US-Japan-China relations.

V. A Conflict by Invitation? Chinese Assertiveness, Japan’s Firm Stance, and US Fears

While Japan and the US were inaugurating balancing policies of different intensity toward China, it is worth noting that Beijing’s foreign policy outlook was relatively cooperative. In the aftermath of the 1989 Tiananmen incident and the 1991 fall of the USSR, Chinese Communist Party (CCP) leader Deng Xiaoping insisted on the merits of the economic reforms and opening of the Chinese market inaugurated in 1978. Deng posited that a low profile foreign policy went hand-in-hand with market liberalization and that both were indispensable for fostering sustained economic growth beneficial to a developing Chinese economy. For that purpose, the “Little Helmsman” was responsible for selecting those leaders that would steer the Chinese ship of state through the rich

⁴² Pugliese, “Japan 2014,” 53.

seas of a globalizing world economy: Jiang Zemin and Hu Jintao.⁴³ The Jiang and Hu eras thus mostly internalized Deng's precepts of "keeping a low profile and biding one's time (*taoguang yanghui*韬光养晦)" based on a strong consensus in favour of international cooperation. China's peaceful rise, then, coincided with the prioritization of socio-economic development.⁴⁴ In turn, China's strong preference for international cooperation and a low-profile foreign policy fed into a positive appreciation of its rise. Indeed, according to an authoritative China specialist, Beijing was slowly becoming socialized into international and regional institutions.⁴⁵

However China was pursuing a cooperative foreign policy also in light of its counterparts' balancing inducements. As Realist scholars noted, China was still playing by the Realpolitik playbook during the Jiang and Hu era. According to Avery Goldstein, by the late 1990s China advanced a "neo-Bismarckian" strategy premised on reassurance and great power diplomacy to bolster its security and increase its material capabilities.⁴⁶ This would continue as Japan and the US deepened their alliance in the mid-2000s and the Abe administration inaugurated bold security reforms—the regional balance still favored the United States and Japan with their formidable navies. Yet China's "hide and bide" consensus would not hold for long following the 2008 world financial crisis and its advancement into the oceans, thus confirming earlier Japanese and American fears. Quite fittingly, even while the Dengist

⁴³ Andrew J. Nathan and Bruce Gilley, *China's New Rulers: The Secret Files*, 2nd ed. (New York: New York Review of Books, 2003), 39-45.

⁴⁴ D.M. Lampton, *The Three Faces of Chinese Power* (Berkeley: University of California Press, Berkeley, 2008), 8-36.

⁴⁵ Alastair Iain Johnston, *Social States: China in International Institutions, 1980-2000* (Princeton: Princeton University Press, 2008).

⁴⁶ Avery Goldstein, "An Emerging China's Emerging Grand Strategy: A Neo-Bismarckian Turn?" in *International Relations Theory and the Asia-Pacific*, ed. John Ikenberry and Michael Mastanduno (New York: Columbia University Press, 2003), 57-106.

foreign policy consensus appeared to crumble during the Hu administration, it was decisively abandoned with the advent of Xi Jinping, the first leader whose ascendance had nothing to do with the late Deng.

Xi Jinping's China is exemplary of the regained centrality of the Middle Kingdom in the regional landscape. The new leader publicly sanctioned change on October 24, 2013 during a speech given at an important party conference on China's relations with neighboring powers. Xi stated that Chinese diplomacy needed to now "strive for achievements (*fenfa youwei* 奋发有为)."⁴⁷ The various actors involved in shaping the grand narrative of China's foreign policy came to increasingly adopt Xi's expression used during the conference, highlighting the new reality of the country's "great power diplomacy with Chinese characteristics" effectively carried out over Deng's decades-old pleas for caution. As a consequence, China's neo-Bismarckian strategy of hiding capabilities and biding time was already giving way to what we might well call a "neo-Wilhelmine" approach toward its immediate neighbors: Chinese policymakers, with Xi at the center, abandoned caution and did not shy away from advancing China's interests through military means.⁴⁸

Concretely, China pursued an aggressive irredentism in the East and South China Seas. It did so on the basis of geopolitical considerations, cool strategic thinking, and a diffuse nationalism, which reinforced an emotional sense of territorial entitlement.⁴⁹ At a structural level, however,

⁴⁷ "Xi Jinping zai zhoubian waijiao gongzuo zuotan hui shang fabiao zhongyao jianghua" [Xi Jinping delivers an important speech at a conference on periphery diplomacy], *Xinhua*, October 25, 2013, http://news.xinhuanet.com/politics/2013-10/25/c_117878897.html. Accessed November 23, 2016.

⁴⁸ Willy W. Lam, *Chinese Politics in the Era of Xi Jinping* (Routledge: London and New York, 2015).

⁴⁹ Giulio Pugliese, "Japan 2015: Confronting East Asia's Geopolitical Game of Go," in *The Chinese-American Race for Hegemony in Asia*, Asia Maior vol. 26, ed. Michelguglielmo Torri

China decided to push its weight around in view of the gradual power vacuum left by a degree of US disengagement. On the face of Obama's initially hands-off approach over Chinese coercive behaviour in the Scarborough Shoal and Senkaku/Diaoyu Islands, substantial US defense budget sequestration, continued US involvement in the Greater Middle East, and new preoccupation in Ukraine, Chinese observers must have understood the US "pivot to Asia" as a paper tiger. The Obama administration proclaimed its willingness to rebalance US military, political and economic engagement toward the Asia-Pacific in line with long-standing US strategy and the region's growing importance, but the policy lacked teeth.⁵⁰ Similar dynamics were at play in Ukraine: post-Iraq US military fatigue prompted a more assertive foreign policy from the likes of Russia and China. The increased number of crises, louder nationalist drum-beating, and more forceful military signalling would suggest an increased likelihood for conflict in East Asia. After all, the flaring up of the Japan-China Senkaku/Diaoyu Islands standoff has brought Japan-China relations to their lowest point since the normalization of diplomatic relations in 1972.

It is revealing that by the 2010s national security and geopolitical priorities also affected major international economic initiatives. For example, the 2015 signing of the Trans-Pacific Partnership among twelve Asia-Pacific economies constituted another instrument to contain Chinese regional influence. US and Japanese policymakers saluted with favor both the economic and strategic implications of such a deal because its East Asian perimeters mostly coincided with the network of US and Japanese strategic partners and it would have fostered some degree of economic leverage vis-à-vis China.⁵¹ Chinese economic initiatives

and Nicola Mocci (Roma: Viella, 2016), 93-132.

⁵⁰ As of the writing of this paper, the Trans-Pacific Partnership, functioning as the geo-economic component of the pivot, is unlikely to enter into force as originally planned.

⁵¹ Michiel Foulon, "Neoclassical Realism: Challengers and Bridging Identities," *International*

inaugurated under the Xi administration clearly betrayed such national security subtext. To be sure, the Asian Infrastructure Investment Bank (AIIB) was born out of economic considerations and due to China's inability to gain more say within the World Bank system; contrary to the assertions of liberal internationalists, the US-led international liberal order has not been able to adapt and democratically open up to increasingly important actors. At the same time, China also aimed at increasing its economic leverage within the Eurasian landmass for clear political and geopolitical aims while advancing into the South China Seas.⁵² Arguably, national security and political considerations trumped economic ones for both initiatives. So far, the only major US ally that refused to join the AIIB was Abe's Japan. Furthermore, preliminary testimonies suggest that the Abe administration took a firmer stance against China's AIIB initiative compared to the United States.⁵³ Under Abe, Japan needed no US pressure to keep a distance from Chinese geo-economic initiatives.

The flaring up of the territorial dispute since 2012 and the comeback of the Abe administration have hardened Tokyo's China policy beyond the Obama's so-called "Asia rebalance," possibly entrapping the US in flashpoints of Sino-Japanese discursive or military conflicts over historical issues. Under the Obama administration, Washington demonstrated similar sensitivities as the second Bush administration toward the Abe administration. It toned down Japan's over-reliance on power politics in its dealing with China and (less quietly) censored blunders with regard to historical issues to both ameliorate the regional security dilemma and avoid entrapment in Sino-Japanese tensions of

Studies Review 17, no. 4 (2015): 635-661.

⁵² Pugliese and Insisa, *Sino-Japanese Power Politics*.

⁵³ Hiroyuki Akita, *Ranryū: Bei-Chū-Nichi gaikō sangokushi* [Stormy Currents: US-China-Japan Records of the Three Kingdoms' Diplomacy] (Tokyo: Nihon Keizai Shinbun Shuppansha, 2016), 46.

both Beijing *and*, to a lesser extent, Tokyo's making. Thus, while Obama avoided touching upon national security issues in his first meeting with Abe in February 2013, the US publicly condemned Abe's visit to the controversial Yasukuni Shrine of December 2013 and also refrained from allowing Japan to enable preventive strike capabilities for fear of entanglement in Tokyo's (quite limited) coercive diplomacy. Previous scholarship has noted such subtle trends, but this article has demonstrated how the same dynamics were at play *before* the Senkaku/Diaoyu standoff as well as under a Republican administration, a detail that is particularly notable since Republicans have traditionally been understood as much more sympathetic to Japanese views compared to Democrats. Meanwhile, US anxieties over some of Japan's more proactive security stances and nationalistic displays are likely to stay. These dynamics, in other words, reflect a rapidly evolving strategic landscape. Thus, while Washington aims at a stronger Japan, it needs to dissuade both Beijing and Tokyo from adopting a more assertive foreign policy. More importantly, these dynamics suggest not only relative continuity in US foreign policy, but consistency in Abe's Japan's hardened stance vis-à-vis China that has exceeded US intentions. One may accordingly anticipate the road to trilateral relations and regional stability to be bumpy indeed.

Is Japan really capable of dragging the United States into a conflict with China? The trilateral dynamics recounted so far arguably are symptomatic of growing US fatigue and fears of entanglement as well as Japan's somewhat more assertive foreign policy behaviour. After all, the Abe administration testifies to a rightward shift in Japanese security policy, but only from a minimalistic starting point. And while controversial visits to the Yasukuni shrine by a sitting prime minister now represent a major thorn in US-Japan-China relations, Abe's historical revisionism is clearly not representative of mainstream Japanese views. On the contrary, Japanese public opinion has a restraining influence on top-down nationalistic displays.⁵⁴ In addition, popular suspicions of Abe's security agenda were evident in the Abe

Cabinet’s plummeting support rates during Diet deliberations for the 2013 Specially Designated Secrets Law as well as the 2015 Legislation for Peace and Security enshrining the principle of collective self-defense. The Abe administration has been able to pass a bold security agenda, but its initiatives have been diluted and it will not be easily or completely practicable according to the power politics book. For instance, Japan pursues relatively modest internal balancing since the percentage of its military expenditure relative to GDP still wavers around one percent, a ratio that pales in comparison to the United States and China. Finally, absent a major—and deadly—security shock, Japan’s nuclear breakout is very unlikely due to an even more diffuse national allergy since Fukushima. Currently, only three of fifty-four nuclear reactors are operational owing to popular anxieties since the March 11, 2011 “triple disaster.”

More importantly, the Japanese government’s autonomous security activism will be blunted as Japan’s economic capabilities wane due to secular stagnation and the twin problems of an ageing and shrinking population. Firstly, Japan will face powerful inward looking forces: future Japanese governments will devote growing amounts of public expenditures to the social security of an elderly society. By 2025, in fact, about thirty percent of the population will be made up of people aged sixty-five and over.⁵⁴ Secondly, absent major technological advances that would dramatically increase productivity, Japan is destined to decline in relative *and* absolute terms, thus confining Japan to its traditional role as a middle power.

This scenario would engender a *de facto* increase in the leverage enjoyed by the United States over Japanese decisions. US military

⁵⁴ Giulio Pugliese, “The China Challenge, Abe Shinzo’s Realism and the Limits of Japanese Nationalism,” *The SAIS Review of International Affairs* 35, no. 2 (Summer-Fall 2015): 45-55.

⁵⁵ Atsushi Seike, “Japan’s Ageing Society and the Role of Higher Education” (talk given at King’s College London, London, November 17, 2016).

fatigue and a measure of disengagement actively contribute to raising Japan's military profile, but Japan will still rely on *indispensable* US second-strike security guarantees for dealing with China. As of now there is no easy substitute for US protection and extended deterrence, neither in the shape of a very costly and unpopular aggressive Japanese build-up of homebred military capabilities (i.e. internal balancing), nor in the shape of alliances or ententes with third parties, such as India, Australia and the like (i.e. external balancing); these countries will likely not align with Japan against China. The continued centrality of the US-Japan alliance to Japan's strategic outlook ultimately means that US leverage over Tokyo's policy options will both empower and successfully restrain Japan's role vis-à-vis China. For instance, Japan has refrained from constructing facilities in the Senkaku islands to convince the United States that it will not rock the boat of Japan-China relations. Moreover, quiet US pressure over Abe's August 14, 2016 Statement and the unlikelihood that Abe will again visit the Yasukuni Shrine following US criticism are good examples of US leverage at play (along with other international and domestic factors). Brad Glosserman, executive director of Pacific Forum Center for Strategic and International Studies, a US-based think tank, testified to such pressure regarding the Abe Statement in an e-mail exchange: "I have been in meetings when I and others pressed government of Japan representatives to take that extra step, and I have been told by US government representatives that they did the same."⁵⁶ What has been insufficiently noted is that Abe toned down his revisionist colors roughly around the same time of Japan's deepening of the US-Japan alliance through the new 2015 alliance

⁵⁶ Brad Glosserman, executive director of the US-based Pacific Forum Center for Strategic and International Studies think tank, testified to such pressure regarding the Abe Statement in an e-mail exchange: "I have been in meetings when I and others pressed government of Japan representatives to take that extra step and I have been told by US government representatives that they did the same." See Pugliese, "Japan 2015," 116.

guidelines. In all likelihood, the Obama administration exacted promises from Abe with regard to Tokyo's public display of strident historical revisionism, also with Japan-South Korea relations in mind.⁵⁷ In fact, both Japan and the United States displayed major public gestures of historical reconciliation at Hiroshima and Pearl Harbor. According to a political reporter from the progressive *Asahi Shinbun*, "The gap between the pragmatic actions of Abe and the ideology of the *Nippon Kaigi* [see footnote] has been widening."⁵⁸

VI. Conclusions

The tides of economic globalization have lifted hundreds of millions of people from poverty, torn down barriers among states, and helped strengthen a rule-based international order. Yet these tides have also stranded many members of the middle and lower classes in advanced economies with a shrinking welfare state, thus feeding into an anti-globalization movement charged with popular resentment. The 2016 votes for Britain to leave the European Union and for trade-sceptic (and narrow national interests-focused) Donald Trump as US President are cases in point. At the same time, absent another major economic crisis, trade and financial activity in Asia is likely still to grow in the years to come, albeit at a slower rate. After all, China has benefitted enormously from the above trends and it will continue to emphasize the merits of deeper economic and investment links. It is probably too early to worry

⁵⁷ Giulio Pugliese "Japan 2016: Political Stability amidst Maritime Contestation and Historical Reconciliation," *Asia Maior* vol. 26, ed. Michelguglielmo Torri and Nicola Mocchi (Roma: Viella, 2017).

⁵⁸ Koji Sonoda, "Nippon Kaigi and Grassroots Mobilization of Japan's Right Wing," USJP Occasional Paper 15 (Cambridge, MA: Harvard University, Program on US-Japan Relations, 2016), 51. *Nippon Kaigi*, which in English means "Japan Conference," is a right-wing conservative lobby and religious group in favor of revising the Constitution and shaping Japan's political system along more conservative lines. The group promotes a revisionist view of history and favors visits to the Yasukuni shrine by sitting prime ministers.

about full blown protectionism and beggar-thy-neighbor policies in East Asia. After all, from the US vantage point, a trade war with China would affect US partners and the very prosperity of US multinational enterprises. Since China is often the last point of assembly in the aforementioned “Factory Asia,” the mercurial Trump administration could easily harm US interests.

That said, national security often trumps economics when the two clash. The Chinese economy has steadily moved up the value-added chain, demonstrating an expanding capacity in advanced sectors such as high technology manufacturing. For instance, young Chinese phone and computer enterprises are now able to compete against, and indeed lead over long-established competitors, not least because of price-based competition: China *is* hollowing out neighboring economies. Moreover, the size of the Chinese economy is already significant and destined to become bigger as its inner regions develop; this implies that China’s economic relationship with East Asian countries will be more and more asymmetric. Economic asymmetry grants the party-state apparatus substantial economic leverage in the conduct of diplomacy for specific security and political goals. China has already provided ample proof of economic statecraft against its neighbours, through both economic inducements and coercive retaliation.⁵⁹ The cautionary tales of Realism, therefore, may well apply to the study of East Asia’s economic integration.

Regional economic integration marches on, but the so-called liberal order is under considerable strain. With regard to the tides of democratization, the Xi Jinping administration has put to the test the diffuse misunderstanding that political evolution would naturally follow economic evolution. In recent years, China’s political regime has taken a

⁵⁹ Robert Blackwill and Jennifer Harris, *War by Other Means: Geoeconomics and Statecraft* (Cambridge, MA: Harvard University Press, 2016), 93-151.

turn for the worse, moving toward greater autocracy rather than less.⁶⁰ More worryingly, other states across the East Asian and global spectrum have registered political regression, including democracies such as Turkey, the Philippines, and Thailand. This is indicative of the new *Zeitgeist*, and of China's economic leverage, inducing even Western governments to proactively engage China while more or less turning a blind eye to Xi's domestic political crackdown and aggressive maritime outlook. For instance, the UK government welcomed Chinese investments and the promise of trading the Renminbi in its financial markets under the rubric of a "Golden Era" in UK-China relations, while avoiding explicit criticism regarding curtailment of political rights in Hong Kong, such as of the freedom of expression accorded to local publishing houses. Chinese heavy-handed involvement in Hong Kong went against earlier pledges in the 1984 Sino-British memorandum. Moreover, in 2015 the UK was the first major US ally to become a founding member of the AIIB, inviting public US criticism.

As posited throughout this article, these are very testing times for the so-called liberal order because of the major structural shift in its Realist underpinnings: US decline relative to China's re-emergence to regional primacy and an unstable multipolar order. These shifts have ushered in Sino-American competition, but Obama's United States was more hands off than many observers acknowledged, as evident in subtle US military disengagement, fears of abandonment among Asian allies, and Washington's increased reliance on third parties such as Japan for the preservation of the regional commons. One such case was Obama's reliance on Japan's pursuit of collective self-defense to add its might to the deterrence mix in the South China Sea.⁶¹

Washington's increased reliance on proxies might seemingly

⁶⁰ Stein Ringen, *The Perfect Dictatorship* (Hong Kong: Hong Kong University Press, 2016).

⁶¹ Pugliese, "Japan 2015."

backfire in the face of a more assertive Japan. This article has provided ample evidence of growing US concerns over Japanese actions that could endanger US-Japan-China relations, dragging the US into an unnecessary confrontation. Yet this article also makes a counterintuitive point: a US-China-Japan conflict at the invitation of Japan is unlikely even in the face of US relative decline, and in light of its growing reliance on Japan to maintain a favorable balance. Evidence presented here has demonstrated that the US has been largely successful in softening Japanese stances, with the partial exception of Abe's 2013 Yasukuni visit. Given continued and, in fact, growing US leverage over Japan, the future likelihood of a more inward-looking Japan, and an ascending China, Tokyo might well pursue a more restrained China approach. In this scenario, conflict involving these proud great powers would probably instead arise as a result of mounting Chinese aggressiveness or, in fact, at the invitation of the United States rather than Japan. After all, even under a Trump Presidency, the US will hardly retreat from the Asia-Pacific. A degree of US-China competition, therefore, is likely to remain for the foreseeable future.

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